



NEWS RELEASE

STATE EMERGENCY OPERATIONS CENTER

FOR IMMEDIATE RELEASE

News Release No. 6 – August 19, 2014 – 3 p.m.

BEWARE OF HOME RESTORATION SCAMS AFTER FLOODING *Verify Licensed Contractors and Legitimate Businesses*

LANSING - Consumers tackling restoration of their homes damaged by recent flooding are urged today by the Michigan Department of Licensing and Regulatory Affairs (LARA) to first check online to verify the individuals and businesses they hire are legitimate.

“Make sure you know up front who you’re doing business with and trusting to work on your home,” LARA Acting Director Mike Zimmer said. “Consumer caution is the best way to help avoid problem situations or disputes.”

Verify a Builder/Contractor License. Residential Builders and Maintenance and Alteration Contractors: An online license search is available at <http://www.michigan.gov/licenselookup> or by calling LARA's Corporations, Securities and Commercial Licensing Bureau at (517) 373-8376.

Electricians, plumbers and mechanical contractors are licensed by LARA's Bureau of Construction Codes and must have a license that corresponds to the work to be done. Mechanical contractors must also have the proper license classification. To verify license information, go to www.michigan.gov/bcclicense or call (517) 241-9313.

Consumers are also reminded to:

- Ask the individual to show you his/her “pocket card,” which will contain the license number.
- Ask for and verify references.
- Get at least three written estimates to include detailed job specifications on the materials, labor, timeline and total charges for the work. Don't automatically choose the lowest bidder.
- Obtain a detailed written contract stating exactly what work will be done, the quality of the materials used, warranties, start and completion dates, total cost of the job, and a payment schedule.
- Never sign a contract with blank spaces. Know your cancellation rights.

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- Protect yourself by asking the contractor, subcontractor and suppliers for a completed and signed "waiver of lien" form. This may provide you additional protection should a subcontractor or material supplier place a lien on your home if the contractor doesn't pay the bills. This can happen even if you paid the contract in full.
- Make sure your contractor is insured and carries personal liability, worker's compensation, and property damage coverage. Ask for copies of current insurance certificates. If the contractor is not properly insured, you could be held liable for any injuries and damages that occur during the project.
- Check with your property insurance provider for the extent of your coverage.
- Avoid paying for the entire job upfront. Consider paying one-third in advance; one-third halfway through the job and the final payment upon satisfactory completion. Avoid paying with cash. Pay by check or credit card and get a receipt.
- Keep good records—copies of the contract, change orders and correspondence.
- Don't forget your permit—if needed—by checking with your local or state building department. The proper permits and inspections help to guard against defective work or costly mistakes. If homeowners plan on doing the work themselves, they are also responsible for obtaining building permits.

About the Disaster

Gov. Rick Snyder declared a "state of disaster" on August 13 for Macomb, Oakland and Wayne counties. By declaring a "state of disaster," the state of Michigan will make available all state resources in cooperation with local response and recovery efforts in the disaster area as outlined in the Michigan Emergency Management Plan. Snyder's declaration authorizes the Michigan State Police, Emergency Management and Homeland Security Division (MSP/EMHSD) to coordinate state efforts.

The public is encouraged to monitor local media for up-to-date disaster information. For updated information and safety tips, follow the MSP/EMHSD on Twitter at [@MichEMHS](https://twitter.com/MichEMHS) or go to www.michigan.gov/miflood.

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The State Emergency Operations Center (SEOC) is the emergency operations center for the state of Michigan. Located in Lansing, the SEOC is overseen by the MSP/EMHSD and coordinates response and recovery efforts by state agencies and local government. The SEOC is staffed by members of state agencies for decision making and information coordination during disasters or emergencies in the state of Michigan.

FOR MORE INFORMATION:

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State Emergency Operations Center
Public Information Officer
(517) 324-2304 or msp-seocpio@michigan.gov